

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
03-012A

2. STATE  
Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
November 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
1902 (n) of the Social Security Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 2004 \$ (.64 million)  
b. FFY 2005 \$ (.70 million)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 3.1-A Pages 7.1.1(c)1, 7.7.2, 7.8.1, & 7.9.3;  
Attachment 3.1-B Pages 32.1 & 33;  
Supplement 1 to Attachment 4.19-B Page 3.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
Attachment 3.1-A Pages 7.1.1(c)1, 7.7.2, 7.8.1, 7.8.2 & 7.9.3;  
Attachment 3.1-B Pages 32.1, 33 & 33.1;  
Supplement 1 to Attachment 4.19-B Page 3.

10. SUBJECT OF AMENDMENT:

Payment of Medicare Part B deductible/coinsurance for ancillary services in nursing facilities and reimbursement of ancillary services for price-based nursing facilities.

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Review delegated to Commissioner, Department for Medicaid Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Mike Robinson*

13. TYPED NAME: Mike Robinson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED:

11/05/04

16. RETURN TO:

Frances McGraw  
Eligibility Policy Branch  
Department for Medicaid Services  
275 East Main Street 6W-C  
Frankfort, Kentucky 40621

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  
December 15, 2003

18. DATE APPROVED:  
March 12, 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
November 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

*Renard L. Murray*

21. TYPED NAME:  
Renard Murray

22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children's Health

23. REMARKS:

---

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

---

15.a. Services in an Intermediate Care Facility for the Mentally Retarded and Developmentally Disabled (Other Than Such Services in an Institution for Mental Diseases) for Persons Determined, in Accordance with Section 1902(a) (31) (A) of the Act, to be in Need of Such Care

Program benefits are limited to eligible recipients who require active treatment. These services must be preauthorized and must be reevaluated every six (6) months. If the reevaluation of care reveals that the patient no longer requires skilled, nursing facility level of care, or intermediate care for the mentally retarded and developmentally-disabled services and payment is no longer appropriate in the facility, payment shall continue for ten (10) days to permit orderly discharge or transfer to an appropriate level of care.

All individuals receiving nursing facility care must be provided care in appropriately certified beds.

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

- 15.a. Services in an Intermediate Care Facility for the Mentally Retarded and Developmentally Disabled (Other Than Such Services in an Institution for Mental Diseases) for Persons Determined, in Accordance with Section 1902(a) (31) (A) of the Act, to be in Need of Such Care

Program benefits are limited to eligible recipients who require active treatment. These services must be preauthorized and must be reevaluated every six (6) months. If the reevaluation of care reveals that the patient no longer requires skilled, nursing facility level of care, or intermediate care for the mentally retarded and developmentally-disabled services and payment is no longer appropriate in the facility, payment shall continue for ten (10) days to permit orderly discharge or transfer to an appropriate level of care.

All individuals receiving nursing facility care must be provided care in appropriately certified beds

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.

Revision: HCFA-PM-91-4  
August 1991

(BPD)

SUPPLEMENT 1 TO ATTACHMENT 4.19-B  
Page 3

STATE PLAN UNDER TITLE XIX of the SOCIAL SECURITY ACT

State: Kentucky

---

Payment of Medicare Part A and Part B Deductible/Coinsurance (cont.)

- B. Medicaid payment for specified Medicare crossover claims will be the lower of the allowed Medicaid payment rates or the Medicare coinsurance and deductibles.
1. The specified Medicare Part A crossover claims are defined as: Inpatient Hospital and Nursing Facilities (effective 9/01/02).
  2. The specified Medicare Part B claims are defined as:
    - a. Physician services, Community Mental Health Center services, Advanced registered nurse practitioner services, podiatry services, chiropractic services, dental services, hearing and vision services, and laboratory and x-ray services (effective 2/01/03);
    - b. Durable Medical Equipment and Pharmacy (effective 4/01/03);
    - c. Emergency ambulance services (effective 6/01/03); and
    - d. Ancillary Services/Nursing Facilities (effective 11/01/03).

In the event that Medicaid does not have a price for codes included on a crossover claim the Medicare coinsurance and deductible will be paid.



---

The following services are payable by the Medicaid program when they are medically necessary and ordered by the attending physician. The facilities may not charge the Medicaid recipient for these services. (Also see Attachment 4.19-D Exhibit B for a detailed explanation of each service or item.)

- (1) Routine services include a regular room (if the attending physician orders a private room, the facility cannot charge the family or responsible party any difference in private/semi-private room charges; the facility enters their charges for a private room when billing Medicaid), dietary services and supplements, medical social services, respiratory therapy and supplies, nursing services, the use of equipment and facilities, medical and surgical supplies, podiatry services, items which are furnished routinely and relatively uniformly to all patients, prosthetic devices, and laundry services (including laundry services for personal clothing which is the normal wearing apparel in the facility).
- (2) Ancillary services are those for which a separate charge is customarily made. They include physical therapy, occupational therapy, speech therapy, laboratory procedures, x-ray, oxygen and oxygen supplies, and ventilator use.